

# Minute

## Policy and Resources Committee

Tuesday, 21 September 2021, 10:30.

Microsoft Teams.



## Present

Councillors James W Stockan, W Leslie Manson, Stephen G Clackson, Alexander G Cowie, Norman R Craigie, Robin W Crichton, David Dawson, Andrew Drever, Barbara Foulkes, Steven B Heddle, J Harvey Johnston, Rachael A King, John T Richards, Stephen Sankey, John A R Scott, Gwenda M Shearer, Graham L Sinclair, Magnus O Thomson, Owen Tierney and Heather N Woodbridge.

## Clerk

- Hazel Flett, Senior Committees Officer.

## In Attendance

- John W Mundell, Interim Chief Executive.
- Stephen Brown, Chief Officer/Executive Director, Orkney Health and Care.
- Hayley Green, Interim Executive Director of Environmental, Property and IT Services.
- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- James Wylie, Executive Director of Education, Leisure and Housing.
- James Buck, Head of Marine Services and Transportation.
- Colin Kemp, Interim Head of Finance.
- Karen Greaves, Head of Executive Support (for Items 1 to 12).
- Andrew Groundwater, Head of HR and Performance.
- Jim Lyon, Interim Head of Children and Families and Criminal Justice and Chief Social Work Officer (for Items 1 to 18).
- Roddy Mackay, Head of Planning, Development and Regulatory Services (for Items 1 to 18, 20 and 21).
- Gavin Mitchell, Head of Legal Services.
- Lorna Richardson, Strategic Policy and Projects Manager (for Items 1 to 9).
- Jackie Thomson, Development and Regeneration Manager (for Items 1 to 18).
- Anna Whelan, Strategy Manager (for Items 1 to 13).
- James Green, Senior Policy Planner (Development and Marine Planning) (for Items 11 to 20).
- Emma Chattington, Equalities Officer (for Items 1 to 10).
- Adele Lidderdale, Climate Change Project Officer (for Items 1 to 10).

## **Observing**

- Susan Shearer, Planning Manager (Development and Marine Planning) (for Items 19 and 20).
- Sandra Craigie, Committees Officer (for Items 1 to 18).
- Rebecca McAuliffe, Press Officer (for Items 1 to 18).
- Lorraine Stout, Press Officer (for Items 7 to 21).

## **Apology**

- Councillor Duncan A Tullock.

## **Declaration of Interest**

- Councillor Gwenda M Shearer – Item 19.

## **Chair**

- Councillor James W Stockan.

## **1. Disclosure of Exempt Information**

The Committee noted the proposal that the public be excluded from the meeting for consideration of Items 19 to 21, as the business to be discussed involved the potential disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **2. Revenue Expenditure Outturn**

### **2.1. Policy and Resources**

After consideration of a joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**2.1.1.** The revenue expenditure outturn statement in respect of the undernoted services for financial year 2020/21, attached as Annex 1 to the joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, which indicated a deficit position of £3,449,600:

- Central Administration.
- Law, Order and Protective Services.
- Other Services.

The Committee scrutinised:

**2.1.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, and obtained assurance that appropriate action was taken with regard to significant budget variances.

## **2.2. Summary**

After consideration of a joint report by the Chief Executive and the Head of Finance, copies of which had been circulated, the Committee:

Noted the revenue expenditure outturn statement for financial year 2020/21, attached as Annex 1 to the joint report by the Chief Executive and the Head of Finance, which indicated the following:

- A total General Fund deficit of £2,106,700.
- A surplus in Sources of Funding for General Fund Services of £6,700.
- A net Non-General Fund surplus of £39,899,600.

## **3. Revenue Expenditure Monitoring**

### **3.1. Policy and Resources**

After consideration of a joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**3.1.1.** The revenue financial summary statement in respect of the undernoted services for the period 1 April to 30 June 2021, attached as Annex 1 to the joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, which indicated an underspend position of £102,600:

- Central Administration.
- Law, Order and Protective Services.
- Other Services.

**3.1.2.** The revenue financial detail by Service Area statement for the period 1 April to 30 June 2021, attached as Annex 2 to the joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance.

The Committee scrutinised:

**3.1.3.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the joint report by the Chief Executive, the Interim Executive Director of Environmental, Property and IT Services and the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

### **3.2. Summary**

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**3.2.1.** The summary revenue expenditure statement for the period 1 April to 30 June 2021, attached as Annex 1 to the report by the Head of Finance, which indicated the following:

- A total General Fund overspend of £337,400.
- A deficit in Sources of Funding of £143,200.
- A net Non-General Fund surplus of £307,100.

**3.2.2.** The financial detail across individual Sources of Funding for the period 1 April to 30 June 2021, including significant variances identified as Priority Actions, attached as Annex 2 to the report by the Head of Finance.

The Committee scrutinised:

**3.2.3.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

## **4. Capital Expenditure Outturn**

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**4.1.** The summary outturn position of capital expenditure incurred for financial year 2020/21 in respect of the General and Non-General Fund capital programmes, as detailed in section 3.1 of the report by the Head of Finance, which indicated a total underspend of £10,709,000 as at 31 March 2021, against approved budgets totalling £27,167,000.

The Committee scrutinised:

**4.2.** The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and the Non-General Fund capital programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and on progress made with delivery of the approved General and Non-General Fund capital programmes.

Signed: James W Stockan.

As a result of internet connectivity issues, Councillor James W Stockan left the meeting during discussion of the following item. Councillor W Leslie Manson took the Chair.

## 5. Capital Slippage and Acceleration

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**5.1.** Net slippage amounting to £8,551,000 in relation to the approved General Fund and Non-General Fund capital programmes as at 31 March 2021.

**5.2.** That the Head of Finance had re-profiled the five-year General Fund and Non-General Fund capital programmes, in order to reflect the net slippage and current timescales for completion of individual capital projects, with the revised programmes attached as Appendix 2 to the report by the Head of Finance.

**5.3.** That the following projects had been reprofiled into 2021/22 and beyond due to delays with project commencement or delivery:

- New Kirkwall Care Facility.
- Alterations to Garden House, Kirkwall.
- Works associated with the expansion of Early, Learning and Childcare provision.

On the motion of Councillor Graham L Sinclair, seconded by Councillor Andrew Drever, the Committee resolved to **recommend to the Council**:

**5.4.** That the sum of £3,459,000 be carried forward from financial year 2020/21 to financial years 2021/22 and onwards in respect of net slippage on projects contained within the General Fund capital programme.

**5.5.** That the sum of £5,092,000 be carried forward from financial year 2020/21 to financial years 2021/22 and onwards in respect of slippage on projects contained within the Non-General Fund capital programme.

**5.6.** That the revised five-year General Fund and Non-General Fund capital programmes, attached as Appendix 1 to this Minute, be approved.

Councillor Magnus O Thomson left the meeting during discussion of this item.

## 6. Treasury Management – Annual Report

After consideration of a report by the Head of Finance, copies of which had been circulated, the Committee:

Noted:

**6.1.** That the Bank of England Base Rate decreased from 0.75% to 0.25% on 11 March 2020 and then reduced further to 0.10% on 19 March 2020 in order to counter the hugely negative impact the COVID-19 national lockdown was having on the economy.

**6.2.** That the reduction in the Bank of England Base Rate led to the Public Works Loans Board borrowing rates reducing correspondingly, with shorter term rates decreasing more than longer term rates.

**6.3.** That Central Government and the Bank of England also introduced new programmes of supplying the banking system and the economy with significant amounts of cheap credit in order that banks could assist cash-starved businesses to survive the lockdown.

**6.4.** That significant amounts of finance were also passed to local authorities to pass onto businesses, which meant that, for most of the year, there was much more liquidity in financial markets than demand to borrow, meaning investment earning rates plummeted.

**6.5.** That, although there remained much uncertainty over interest rates, with the long-term trend prediction for rates to rise, the Council should be well placed to benefit from savings on loan charges over the longer term.

The Committee scrutinised:

**6.6.** The Annual Treasury Management Review for financial year 2020/21, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance that the Treasury Management Practices had operated effectively.

## **7. Island Communities Impact Assessments**

After consideration of a report by the Chief Executive, copies of which had been circulated, and after hearing a report from the Head of Legal Services, the Committee:

Noted:

**7.1.** The new duties that had arisen in terms of the Islands (Scotland) Act 2018 (the Act) relating to Island Communities Impact Assessments and the associated Regulations, which came into force on 23 December 2020.

**7.2.** That governance arrangements required to be put in place to enable the Council to comply with its statutory duties relating to Island Communities Impact Assessments.

The Committee resolved to **recommend to the Council:**

**7.3.** That, in order to comply with the Council's duty under Section 7 of the Act:

- An assessment shall be made by the relevant Executive Director as to whether an Island Communities Impact Assessment was required in relation to any policy, strategy or service.
- An Island Communities Impact Assessment shall be carried out, where required.
- Each existing policy, strategy and service shall be reviewed by the relevant Executive Director at regular intervals in line with agreed review periods or sooner at the discretion of the relevant Executive Director.

**7.4.** That all Island Communities Impact Assessments be approved and signed off by a Head of Service, unless completed by a Head of Service, in which case, they shall be approved and signed off by an Executive Director.

**7.5.** That requests for review of a decision in terms of Section 9 of the Act shall, where practicable, be considered by an Executive Director or Head of Service who was not involved in the original decision forming the subject of the application for review.

**7.6.** That information regarding the steps that the Council had taken to comply with the new statutory duties shall be reported annually in the Council's Annual Performance Report, taking into account the requirements of the Annual Reporting Return detailed in the Scottish Government publication entitled Island Communities Impact Assessments: Guidance and Toolkit.

**7.7.** That any request from an individual, group or organisation for the Council to submit a request to Scottish Ministers for a retrospective Island Communities Impact Assessment, shall be accompanied by information explaining why the legislation had an effect on an island community which was significantly different from its effect on other communities in Scotland; and that the decision as to whether to make such a request shall rest with the relevant Executive Director.

**7.8.** That the Chief Executive and the Head of Legal Services shall satisfy themselves that any new legislation, policy, strategy or service emanating from the Scottish Government satisfied Sections 7 and 8 of the Act in respect of the duty on Scottish Ministers to have regard to island communities in carrying out their functions and that an Island Communities Impact Assessment had been prepared where appropriate.

Councillor Barbara Foulkes joined the meeting during discussion of the item.

Councillors James W Stockan and Magnus O Thomson rejoined the meeting during discussion of this item.

Signed: L Manson.

Councillor James W Stockan resumed the Chair at this point.

## **8. Islands Deal – Governance Arrangements**

After consideration of a joint report by the Chief Executive and the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Strategic Policy and Projects Manager, the Committee:

Noted:

**8.1.** That Heads of Terms for the Islands Deal were signed on 17 March 2021, confirming a joint investment of £100 million from Scottish and UK Governments, together with a list of the projects to be funded.

**8.2.** That Outline Business Cases were now being developed for each of the Deal projects, with the expectation of having those finalised and the Full Deal signed by Autumn 2022.

**8.3.** That a requirement of the funding process was that the governance structure, which would manage full implementation of the Deal, was in place to approve the Outline Business Cases prior to submission to Government for approval.

**8.4.** The proposed governance structure, outlined in section 4 of the joint report by the Chief Executive and the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, namely establishment of a joint committee between Orkney Islands Council, Comhairle nan Eilean Siar and Shetland Islands Council for the purposes of managing implementation of the Growth Deal for the Islands.

**8.5.** That, should the proposed governance structure be approved and the Joint Committee subsequently established, it was proposed that elected member appointments to the Joint Committee be considered at the General Meeting of the Council to be held on 5 October 2021.

On the motion of Councillor James W Stockan, seconded by Councillor Rachael A King, the Committee resolved to **recommend to the Council:**

**8.6.** That a Joint Committee be established under Section 57 of the Local Government (Scotland) Act 1973 between Orkney Islands Council, Comhairle nan Eilean Siar and Shetland Islands Council for the purposes of managing implementation of the Growth Deal for the Islands.

**8.7.** That, subject to any minor amendments agreed in accordance with paragraph 8.8 below, the Joint Committee Governance Agreement, attached as Appendix 2 to this Minute, be approved for agreement with Comhairle nan Eilean Siar and Shetland Islands Council.

**8.8.** That, should any minor amendments to the Joint Committee Governance Agreement be required as a result of final discussions with Comhairle nan Eilean Siar and Shetland Islands Council, powers be delegated to the Chief Executive to agree such amendments on behalf of the Council.

## **9. Climate Change Reporting Duties**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Climate Change Project Officer, the Committee:

Noted:

**9.1.** The Climate Change Duties Report, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, which summarised the actions undertaken by the Council during the period 1 April 2020 to 31 March 2021 to fulfil its climate change duties.

**9.2.** That the Climate Change Duties Report was due for submission to the Scottish Government by 30 November 2021.

The Committee resolved to **recommend to the Council:**

**9.3.** That the Climate Change Duties Report, attached as Appendix 3 to this Minute, be approved for submission to the Scottish Government.



## **10. Equalities Mainstreaming and Outcomes – Progress Report**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Equalities Officer, the Committee:

Scrutinised the Equalities Mainstreaming and Outcomes progress report 2021 for Orkney Islands Council and Education Authority and Orkney Islands Area Licensing Board, attached as Appendix 1 to the report by the Executive Director of Education, Leisure and Housing, in so far as it related to the remit of the Council, and obtained assurance.

Councillor Magnus O Thomson left the meeting at this point.

## **11. The Queen’s Platinum Jubilee**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Head of HR and Performance, the Committee:

Noted:

**11.1.** That the UK Government had announced an additional public holiday on Friday, 3 June 2022, to mark the Queen’s Platinum Jubilee celebrations.

**11.2.** That, in addition, it had been announced that the late May Bank Holiday, observed by many employers but not Orkney Islands Council, had been moved to Thursday, 2 June 2022, providing for a four day weekend to mark the Queen’s Platinum Jubilee celebrations.

**11.3.** That it was for individual councils to determine whether they wished to award the additional public holiday on Friday, 3 June 2022 and move any existing public holiday date to Thursday, 2 June 2022.

**11.4.** That the Council could choose to recognise the event by granting either:

- An additional public holiday; or
- An additional day of fixed annual leave to be granted to staff that must be taken on Friday, 3 June 2022.

**11.5.** That, alternatively, the Council could choose not to award the additional holiday and all employees would be expected to work as normal.

**11.6.** That, as the local public holiday schedule for 2022/23 had not yet been set, in respect of moving any existing public holidays to Thursday, 2 June 2022, the Council could choose to re-allocate any of the public holidays usually scheduled, with those on May Day or Dounby Show Day suggested as the most suitable.

**11.7.** That work was underway to co-ordinate local community events for The Queen’s Platinum Jubilee in June 2022, including the lighting of a beacon.

On the motion of Councillor James W Stockan, seconded by Councillor J Harvey Johnston, the Committee resolved to **recommend to the Council**:

**11.8.** That employees, in the employment of the Council on 3 June 2022, be awarded an additional day of fixed annual leave to be taken on Friday, 3 June 2022.

**11.9.** That those employees who were required to work on Friday, 3 June 2022 shall have a pro rata day in lieu added to their holiday entitlement for 2022/23.

**11.10.** That Thursday, 2 June 2022 be designated as one of the Council's 10 public holiday days for 2022/23, replacing May Day for 2022 only.

**11.11.** That, should the leave arrangements referred to at paragraphs 11.8 to 11.10 above be approved, the Council Offices, schools and all other services, other than those services with an operational imperative, such as care homes, should be closed on Thursday, 2 June 2022 and Friday, 3 June 2022.

## **12. Orkney Community Plan 2021-23**

### **Incorporating Orkney's Local Outcomes Improvement Plan**

After consideration of a report by the Chief Executive, together with an Equality Impact Assessment and an Island Communities Impact Assessment, copies of which had been circulated, and after hearing a report from the Strategy Manager, the Committee:

Noted:

**12.1.** That the Orkney Partnership Board had drafted a new Community Plan with a focus on short term recovery from the pandemic, covering the two years 2021 to 2023.

**12.2.** That the Orkney Community Plan 2021 to 2023 incorporated Orkney's statutory Local Outcomes Improvement Plan.

**12.3.** That the Orkney Partnership Board had carried out a public consultation which was supportive of its proposal to adopt three new strategic priorities for the Community Plan, namely:

- Connectivity.
- Community Wellbeing.
- Sustainable Recovery.

**12.4.** That the Orkney Partnership Board had established three new delivery groups and assigned Chairs to progress delivery in accordance with the aims, outcomes and proposed courses of action outlined for each strategic priority in the Community Plan.

**12.5.** That the delivery groups would work closely with the Partnership's two current short life working groups, the Child Poverty Task Force and the Economic Recovery Steering Group.

The Committee resolved to **recommend to the Council:**

**12.6.** That the Orkney Community Plan 2021 to 2023, incorporating the Local Outcomes Improvement Plan, attached as Appendix 4 to this Minute, be approved in so far as it applied to the Council.

### **13. Services for Children and Young People in Need of Care and Protection**

#### **Joint Inspection – Progress Review**

After consideration of a joint report by the Chief Executive, the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Interim Head of Children and Families and Criminal Justice and Chief Social Work Officer, the Committee:

Noted:

**13.1.** That, between 26 August and 4 October 2019, the Orkney Community Planning Partnership was inspected in respect of its services for children and young people in need of care and protection.

**13.2.** That, on 25 February 2020, the Care Inspectorate published its report of the joint inspection of services for children and young people in need of care and protection in Orkney.

**13.3.** That, in response to the inspection report published in February 2020, an improvement plan was developed, which was regularly reviewed by the Chief Officers' Group and reported to the Integration Joint Board, the Council's Policy and Resources Committee and NHS Orkney's Clinical and Care Governance Committee.

**13.4.** That, between April and June 2021, a team of inspectors from the Care Inspectorate, Healthcare Improvement Scotland, Her Majesty's Inspectorate of Constabulary for Scotland and Education Scotland carried out a review of progress made in planning and implementing actions to address the priority areas for improvement identified in the Joint Inspection undertaken in 2019.

**13.5.** That, in August 2021, the Care Inspectorate published the Progress Review following a joint inspection of services for children and young people in need of care and protection in Orkney, attached as Appendix 1 to the joint report by the Chief Executive, the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Education, Leisure and Housing.

**13.6.** The key findings arising from the Progress Review, summarised in section 5 of the joint report by the Chief Executive, the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Education, Leisure and Housing.

The Committee scrutinised:

**13.7.** The key findings arising from the Progress Review, following the joint inspection of services for children and young people in need of care and protection, published by the Care Inspectorate in August 2021, attached as Appendix 1 to the joint report by the Chief Executive, the Chief Officer/Executive Director, Orkney Health and Care and the Executive Director of Education, Leisure and Housing, and obtained assurance that planning and implementing actions to address the priority areas for improvement continued to develop and improve.

#### **14. Police and Fire Sub-committee**

After consideration of the draft Minute of the Meeting of the Police and Fire Sub-committee held on 24 August 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor Andrew Drever, seconded by Councillor David Dawson, to approve the Minute of the Meeting of the Police and Fire Sub-committee held on 24 August 2021, attached as Appendix 5 to this Minute, as a true record.

#### **15. Pension Fund Sub-committee, together with Pension Board**

After consideration of the draft Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 26 August 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor James W Stockan, to approve the Minute of the Meeting of the Pension Fund Sub-committee, together with the Pension Board, held on 26 August 2021, attached as Appendix 6 to this Minute, as a true record.

#### **16. Human Resources Sub-committee**

After consideration of the draft Minute of the Meeting of the Human Resources Sub-committee held on 31 August 2021, copies of which had been circulated, the Committee:

Resolved:

**16.1.** On the motion of Councillor W Leslie Manson, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Human Resources Sub-committee held on 31 August 2021 as a true record.

The Committee resolved to **recommend to the Council:**

**16.2.** That the recommendations at paragraphs 2.3 and 3.5 of the Minute of the Meeting of the Human Resources Sub-committee held on 31 August 2021, attached as Appendix 7 to this Minute, be approved.

## **17. Rousay, Egilsay and Wyre Heritage SCIO**

### **Wyre Community and Heritage Centre**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Development and Regeneration Manager, the Committee:

Noted:

**17.1.** That, in August 2019, a LEADER grant of £42,175.90 was awarded to Rousay, Egilsay and Wyre Heritage SCIO towards creation of a new Wyre Community and Heritage Centre.

**17.2.** That, in October 2019, the Community Development Fund Sub-committee awarded a grant amounting to 50% of total eligible costs, up to a maximum sum of £46,996, to Rousay, Egilsay and Wyre Heritage SCIO towards creation of a new Wyre Community and Heritage Centre.

**17.3.** That, following unforeseen material supply issues necessitating revision of the project costs, the LEADER grant was subsequently increased to £46,090.06, with the Community Development Fund grant increased to £51,357.

**17.4.** That the project was supported by Rousay, Egilsay and Wyre Development Trust who would contribute £5,268.12 to the revised total project cost of £102,715.18.

**17.5.** That, to date, LEADER grant funding, amounting to £5,629.16, had been paid to Rousay, Egilsay and Wyre Heritage SCIO in respect of works undertaken to date.

**17.6.** That, in August 2021, due to the project start date being delayed by the impacts of the pandemic and, as a consequence of ongoing pandemic impacts, the appointed contractor advised that they were now unable to start or complete the project within the timeframe permitted by the LEADER Programme.

**17.7.** That, as a consequence of the delayed delivery of the project, the outstanding balance of the LEADER grant, up to a maximum sum of £40,460.90, required to be decommitted, resulting in a project funding deficit.

**17.8.** That, should the project not secure additional funding, the offer of grant from the Community Development Fund would require to be withdrawn.

**17.9.** Options for funding the project deficit resulting from the loss of the remaining LEADER grant, as detailed in section 5 of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, with the preferred option being Option 4, namely the Crown Estate Fund, as the project appeared to fit well with the principles of Crown Estate funding deployment and the long-term funding allocation strategy for coastal community benefit in Orkney approved by the Council in December 2019.

On the motion of Councillor James W Stockan, seconded by Councillor Stephen G Clackson, the Committee resolved to **recommend to the Council**:

**17.10.** That the project funding deficit, in respect of creation of a new Wyre Community and Heritage Centre, resulting from the loss of the remaining LEADER grant, up to a maximum sum of £40,460.90, be met by a contribution from the Crown Estate Fund.

**17.11.** That powers be delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in consultation with the Solicitor to the Council, to enter into an appropriate grant agreement with Rousay, Egilsay and Wyre Heritage SCIO, in respect of the funding detailed at paragraph 17.10 above.

Councillor Magnus O Thomson rejoined the meeting during discussion of this item.

## **18. Exclusion of Public**

On the motion of Councillor James W Stockan, seconded by Councillor W Leslie Manson, the Committee resolved that the public be excluded for the remainder of the meeting, as the business to be considered involved the disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

Councillor John A R Scott left the meeting at this point.

## **19. Towage Services**

Councillor Gwenda M Shearer declared a non-financial interest in this item, in that a close family member was employed in the Council's towage service, and was not present during discussion thereof.

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 1 and 6 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Marine Services and Transportation, the Committee:

Noted:

**19.1.** That, since the granting of the Oil Transfer Licence by the Maritime Coastguard Agency in March 2015, the number of tanker visits to Scapa Flow had increased by 203%, from 73 in 2015/16 to 148 in 2020/21, with ship to ship transfers making up 36.7% of tanker revenue to the Scapa Flow Oil Port.

**19.2.** That an additional 20 ship to ship transfers had the potential to generate further income for the Scapa Flow Oil Port.

**19.3.** That, on 25 May 2021, the Harbour Authority Sub-committee recommended that the Executive Director of Development and Infrastructure should submit a report, to the Policy and Resources Committee, requesting that the Scapa Flow Oil Port net revenue budget surplus for 2021/22 be increased to £779,000.

The Committee resolved to **recommend to the Council:**

**19.4.** That the Scapa Flow Oil Port net revenue budget surplus of £279,000 for 2021/22 be increased to £779,000.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

## **20. Environmental Designations – Proposed Special Protection Areas**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 12 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Senior Policy Planner (Development and Marine Planning), the Committee:

Noted:

**20.1.** That Scottish Ministers were currently considering proposals for two areas covering a large proportion of Orkney's inshore waters, known as North Orkney and Scapa Flow, as detailed on the maps attached as Appendices 2 and 3 respectively to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, for designation as Special Protection Areas.

**20.2.** That, in March 2015, the Council adopted a policy position to oppose the introduction of marine Special Protection Areas in Orkney waters, which was reinforced in July 2015 and confirmed in December 2018.

**20.3.** That, in September 2016 and January 2017, the Council submitted substantive responses to formal consultations by Scottish Natural Heritage, now NatureScot, on proposals to designate the following:

- A suite of 10 marine proposed Special Protection Areas in Scotland, including the North Orkney and Scapa Flow proposed Special Protection Areas.
- A further five proposed Special Protection Areas, including the Pentland Firth, as detailed on the map attached as Appendix 4 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

**20.4.** That, in December 2020, NatureScot advised Scottish Ministers that the North Orkney and Scapa Flow proposed Special Protection Areas should be classified as Special Protection Areas.

**20.5.** That, on 3 December 2020, Scottish Ministers announced the designation of 12 marine Special Protection Areas in Scottish waters excluding the North Orkney and Scapa Flow proposed Special Protection Areas.

The Committee resolved to **recommend to the Council:**

**20.6.** That the undernoted policy principles, originally adopted by the Council on 3 March 2015, should remain in place in relation to consideration of any new national or international environmental, natural heritage or marine related designations:

- The Council would require formal engagement with the relevant designating bodies in advance of any formal public consultation on any potential new or amended designation in Orkney.
- All the management measures which affect a proposed designation should be tabled in advance of the designation in an open and transparent manner.
- The economic and social impact of any proposed designation on local communities must be fully taken into account as a matter of paramount importance.
- Where a proposed new designation would have significant adverse economic and/or social effects on local communities, its introduction will not be supported by the Council.

**20.7.** That the Council reaffirm that it seeks an Island Communities Impact Assessment in respect of the designation of the North Orkney and Scapa Flow proposed marine Special Protection Areas.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**



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## **21. Asset Management Sub-committee**

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of the draft Minute of the Meeting of the Asset Management Sub-committee held on 31 August 2021, copies of which had been circulated, the Committee:

Resolved, on the motion of Councillor W Leslie Manson, seconded by Councillor Robin W Crichton, to approve the Minute of the Meeting of the Asset Management Sub-committee held on 31 August 2021, attached as Appendix 8 to this Minute, as a true record.

Councillor Steven B Heddle left the meeting during discussion of this item.

## **22. Conclusion of Meeting**

At 16:55 the Chair declared the meeting concluded.

Signed: James W Stockan.